GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:298
ANSWERED ON:17.12.1999
ZERO DUTY IMPORT STRUCTURE ON CAPITAL GOODS
K. MURALEEDHARAN;RAGHUNANDAN LAL BHATIA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether the Government propose to review the Zero Duty Import Structure relating to Capital Goods to create level playing field for domestic industry;

(b) if so, the details of the proposal; and

(c) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) to (c) A statement is laid on the table of the House.

Statement referred to in reply to Part-(a) to (c) of the Lok Sabha Starred Question No.298 for answer on 17.12.99
The facility of import of capital goods without payment of duty is available under Export Promotion Capital Goods Scheme and Export Oriented Unit/Export Processing Zones schemes. The duty free import of capital goods is also allowed to mega power projects, fertilizer plants etc. The domestic manufacturers supplying capital goods against aforesaid schemes are eligible for the benefit of deemed exports. These benefits include (a) Special Imprest Licence for duty free import of inputs required for manufacturing capital goods (b) deemed export drawback (c) refund of Terminal Excise Duty and (d) Special Import licence @6% of the F.O.R value.
The review of Export Promotion Capital Goods Scheme is currently not under consideration.